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Revitalising the Skill and Employment Ecosystem: Budget 2017-18

*Budget 2017-18 agenda of **Transforming, Energising and Clean India** will help India tread on a path to become skill capital of the world and opens up employment opportunities to the millions*

The Union Budget 2017-18 agenda to “**Transform, Energise and Clean India**” (TEC India) speaks of the government’s commitment to drive innovation and growth to set new parameters for development so as to facilitate improvement in quality of governance and life of people; energising all, especially the vulnerable sections and bringing about accountability and transparency. Special focus has been laid on farmers, rural population, youth, poor and the underprivileged.

Various cross sectoral measures announced in the budget 2017-18 have ramifications for enhancing employability and job creation for various strata of population. Among the various measures, ‘Energising Youth through Education, Skills and Jobs’ is the key to address the challenges of aspirations of young India. The increase in the overall allocation by 16 percent for Employment Generation, Skill and Livelihood from Rs.14870 crores in RE 2016-17 to Rs.17273 crores in BE 2017-18 reinforces government’s commitment to make India skill capital of the world and enhancing access to job opportunities.

The skill ecosystem today is struggling to make skill aspirational as vocational education carries a negative perception vis-a-vis formal education. To make skill aspirational, the Ministry of Skill Development and Entrepreneurship initiated Pradhan Mantri Kaushal Kendras in select districts in 2016. The Budget proposal to extend this programme to more than 600 districts across the country would act as a catalyst in transforming India as the skill capital of the world through focus on competency based training, quality and sustainability.

The India International Skills Centres will serve as a medium for youth seeking global mobility including those from the demographically advantageous states of Bihar, UP, Jharkhand, Rajasthan etc. The availability of skill infrastructure plays a critical role in making available market relevant quality skill programme, enhancing institutional mechanisms for skill development and providing an increased access to quality training to the prospective workforce. The Skill Acquisition and Knowledge Awareness for Livelihood Promotion programme (SANKALP) at a cost of Rs. 4000 crores will provide industry relevant training to 3.5 crore youth and address the issue of shortage of skilled manpower for accelerated growth in the manufacturing sector. The Skill Strengthening for Industrial Value Enhancement (STRIVE) project to be launched in 2017-18 at a cost of Rs. 2,200 crores, as announced in the budget, will go a long way in improving the quality and market relevance of vocational training provided in ITIs and strengthening the apprenticeship programmes through the industry cluster approach. This would also be a step towards dual training system where the small industry would participate in the training programme.

The Sub-Group of Chief Ministers on Skill Development (2015), while recommending strengthening the skill ecosystem had also emphasised on skilling the vulnerable so that they too can participate in the growth process. The budget also emphasises on skilling rural youth and women who constitute a significant proportion of the total population. The allocations under Deendayal Antyodaya Yojana - National Rural Livelihood Mission for promotion of skill development and livelihood opportunities for people in rural areas has been increased from Rs.3000 crores in RE 2016-17 to Rs.4,500 crores in 2017-18, an increase of 33 percent. Masonry training to 5 lakh persons in rural areas by 2022, with an immediate target of training at least 20,000 persons by 2017-18 will enable the rural youth to participate in rural infrastructure projects and empower them with a sense of ownership. The provision of credit linked subsidy will help qualified local entrepreneurs to set-up 1000 mini soil testing labs which will improve access of soil testing facility to farmers and thereby improve the yield and help achieve the broader objective of doubling the farmers income. The setting-up of Mahila Shakti Kendras in 14 lakh ICDS Anganwadi Centres with an allocation of Rs.500 crores to impart a holistic package covering skills, digital literacy, health, nutrition etc. will enhance the employability of rural women and improve the labour force participation rates.

As part of the digital literacy campaign, the proposed DigiGaon initiative wherein telemedicine, education and skills will be delivered through the digital platform in rural areas, will improve access to the skill programme and enhance the employability. The increased allocation for Bharatnet from Rs.6000 crore in RE 2016-17 to Rs.10000 crore in BE 2017-18 will improve the broadband connectivity in rural India through Optical Fibre Cable (OFC) and also facilitate creation of more jobs in rural areas.

To foster a conducive environment for doing business and enable higher productivity, the central labour laws will be simplified, rationalised and amalgamated into four Codes (i) wages; (ii) industrial relations; (iii) social security and welfare; (iv) safety and working conditions. This is a significant step in encouraging many small firms to come into the fold of the formal sector and to ensure enforcement of simplified labour laws. The enactment of the Model Shops and Establishment Bill 2016 that has been circulated to all States is bound to create more jobs in the retail sector. The amendment to Section 6 of the Payment of Wages Act, 1936, which provides for employers to pay the workers' wages through cheques or deposit into their accounts would help to keep track of the wages and social security benefits paid to workers.

Special focus has been laid on the labour intensive sectors for generating employment opportunities. The scheme for creating employment in the leather and footwear industries along the lines of the Textile Sector will facilitate creation of job opportunities for youth and the unemployed. The launch of the Incredible India 2.0 Campaign across the world will promote tourism and employment. In the MSME sector, the income tax rate of small enterprises with an annual turnover upto Rs. 50 crore has been reduced to 25 percent. This will help in promoting small businesses and thereby generate more employment in these enterprises. The enhanced allocation for Modified Special Incentive Package Scheme (M-SIPS) and Electronics Development Fund (EDF) from Rs.50 crores in RE 2016-17 to Rs.745 crores in BE 2017-18 would not only make India a global hub for electronics manufacturing, but would also generate employment and make India self-sufficient in the electronics good production.

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) has been reoriented to create productive assets such as farm ponds, compost pits etc., which would support farm productivity and help in doubling of farmers' income. This supports the increased allocation of Rs 48,000 crore to MGNREGA. In addition, focus is also on promoting entrepreneurship which would have a multiplier impact on employment. The enhanced allocation under the Credit Support Programme in PMEGP will facilitate setting up of more micro units by the rural artisans and the unemployed youth as the scheme provides guarantee cover for providing collateral free credit facility to MSMEs. The Pradhan Mantri Mudra Yojana (PMMY) under the Micro Units Development

and Refinance Agency (MUDRA) aims to support the development and refinancing activities of micro and non-corporate units. The budget takes the scheme a step ahead by doubling the lending target under PMMY from Rs.1.22 lakh crores in 2016-17 to Rs. 2.44 lakh crores in 2017-18. Priority given to enterprises of Dalits, Tribals, Backward Classes and Women highlights the inclusive aspect of the budget. In a commendable development, under the Standup India scheme launched in 2016-17 to support entrepreneurship among the Dalits, tribals and women, over 16000 new enterprises have come up in areas such as food processing, garments, diagnostic centres etc.

The hike in allocation for the Pradhan Mantri Awaas Yojana – Gramin from Rs.16,000 crores in RE 2016-17 to Rs.23,000 crores in 2017-18 with a target to complete 1 crore houses by 2019 for the houseless and those living in *kutcha* houses will apart from providing decent housing to the large number of informal workers living in deplorable conditions also facilitate job creation in the construction sector and empower the rural community. To provide minimum social security cover to the unorganised sector workers, the allocation for social security schemes has been increased from Rs.400 crores in RE 2016-17 to Rs.875 crores in BE 2017-18, especially the Atal Pension Yojana, Aam Admi Bima Yojana, LIC Pension Plan for Senior Citizens, Pradhan Mantri Jeevan Jyoti Bima Yojana, Pradhan Mantri Suraksha Bima Yojana and Pradhan Mantri Jan Dhan (life cover for account holders).

The effective utilisation of these allocations announced in the Budget 2017-18 and implementation of the various new and existing programmes would go a long way in generating greater employment opportunities for the youth and unemployed and re-skilling those already in the workforce. The budget allocations in the social sector promise social protection to those who form a part of the informal sector in the country and would pave the way for decent employment.

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